



Morgan Stanley Industrials & Autos Conference September 16, 2013

iRobot®
Robots That Make A Difference

Forward Looking Statements

- Certain statements made in this presentation that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.
- These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements.
- Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. iRobot Corporation undertakes no obligation to update or revise the information contained in this presentation, whether as a result of new information, future events or circumstances or otherwise.
- This presentation contains various non-GAAP financial measures as defined by SEC Regulation G, including Adjusted EBITDA, which we define as Earnings Before Interest, Taxes, Depreciation, Amortization, merger and acquisition expenses, restructuring expenses, net intellectual property litigation expenses and non-cash stock compensation expense. The most directly comparable GAAP financial measures and a reconciliation of the differences between the GAAP financial measures and the non-GAAP financial measures are posted on the investor relations page of our web site at www.irobot.com.
- For additional disclosure regarding these and other risks faced by iRobot Corporation, see the disclosure contained in our public filings with the Securities and Exchange Commission.

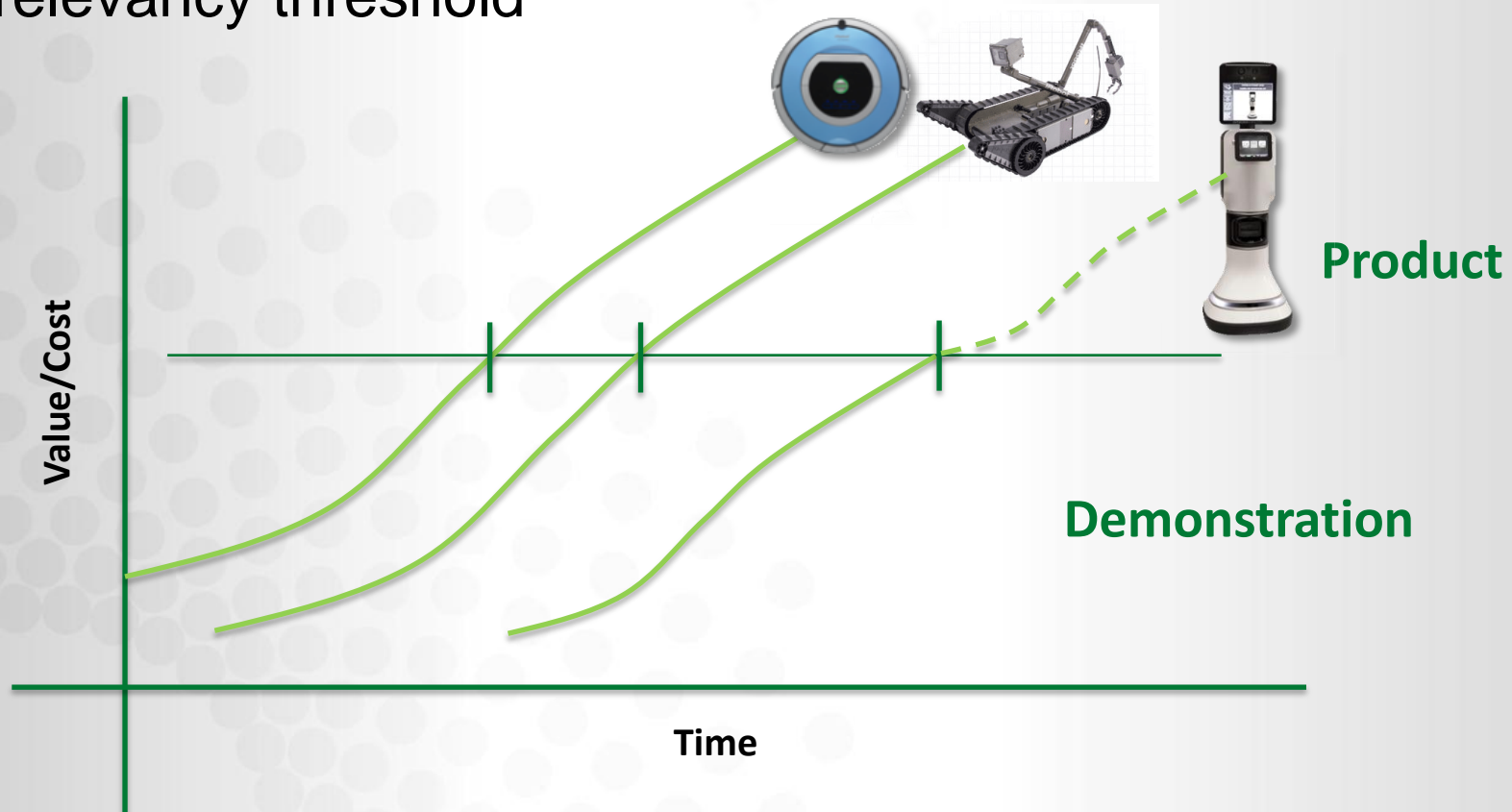
iRobot – Global Technology Company

- **Delivering robotic technology-based solutions that make a difference**
- **Currently serving 3 market verticals:**
 - Consumer home maintenance products – Roomba, Scooba, Braava, Mirra
 - Emerging remote presence markets – Ava, RP-VITA
 - U.S. and international governments – SUGV, FirstLook, PackBot
- **Huge addressable markets**
 - Limited competition
 - Formidable IP portfolio
 - Market-leading brand recognition

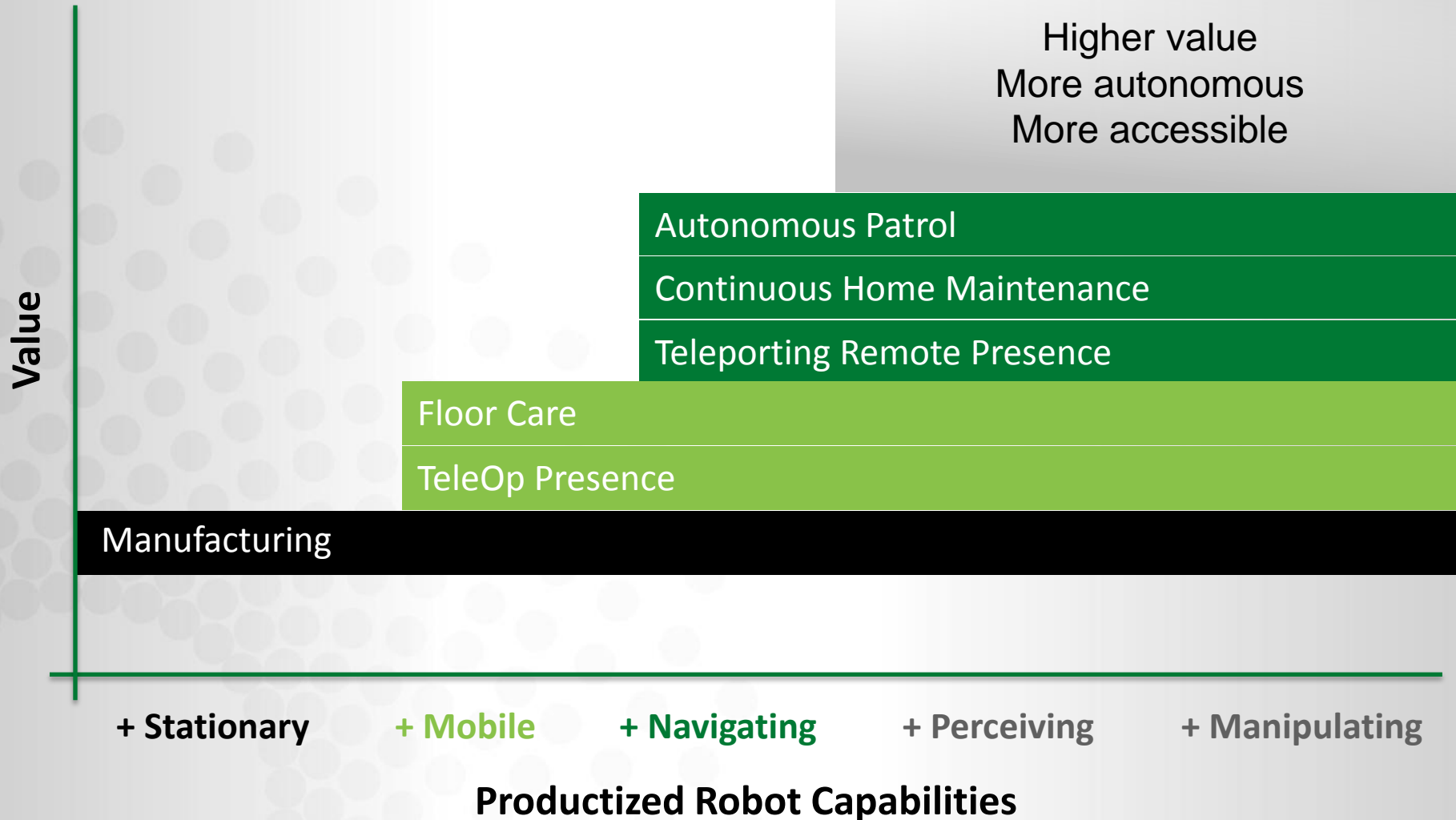
More than two decades of robotic-technology market leadership

The Emerging Robot Industry

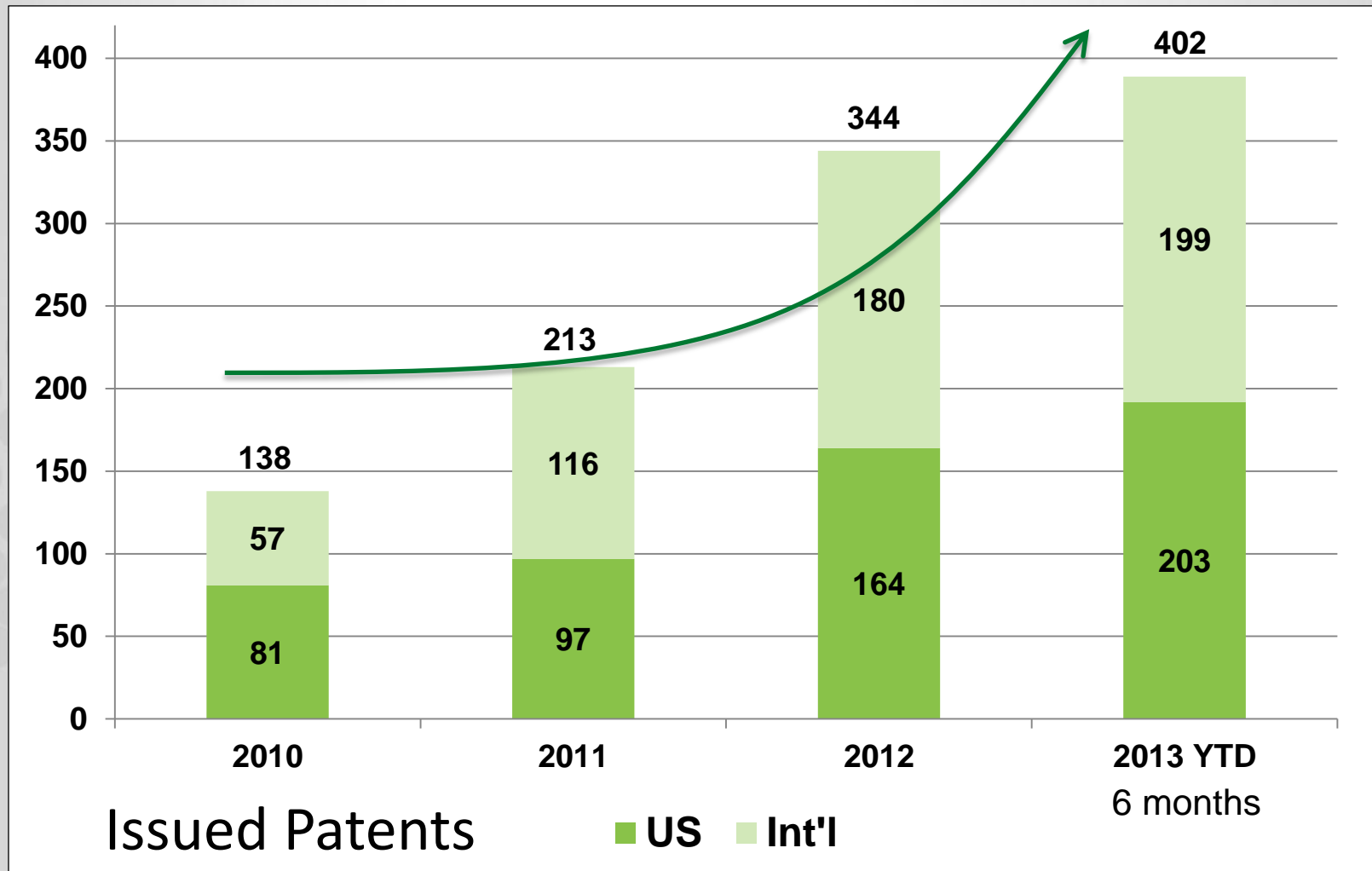
New capabilities unlock new opportunities to cross the relevancy threshold



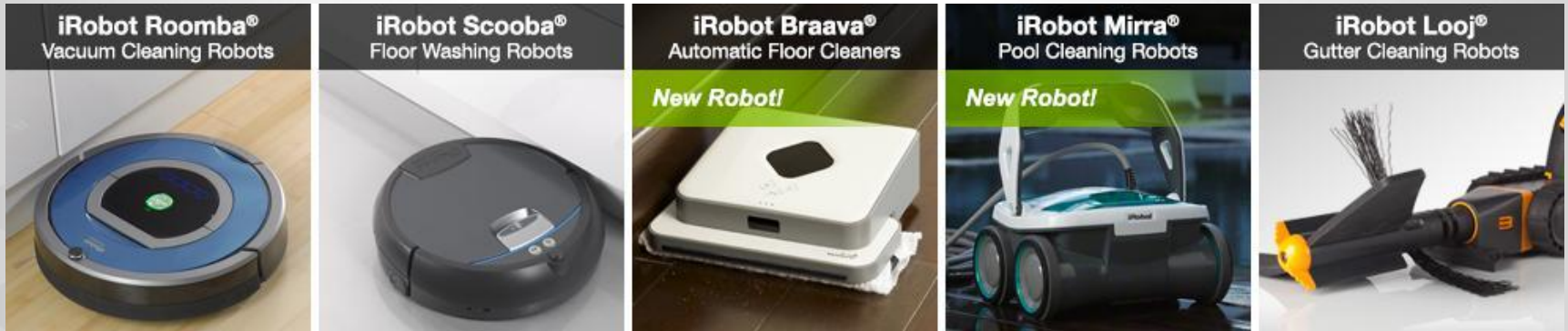
Unlocking the Potential



Patent Portfolio



2013 Home Robot Products



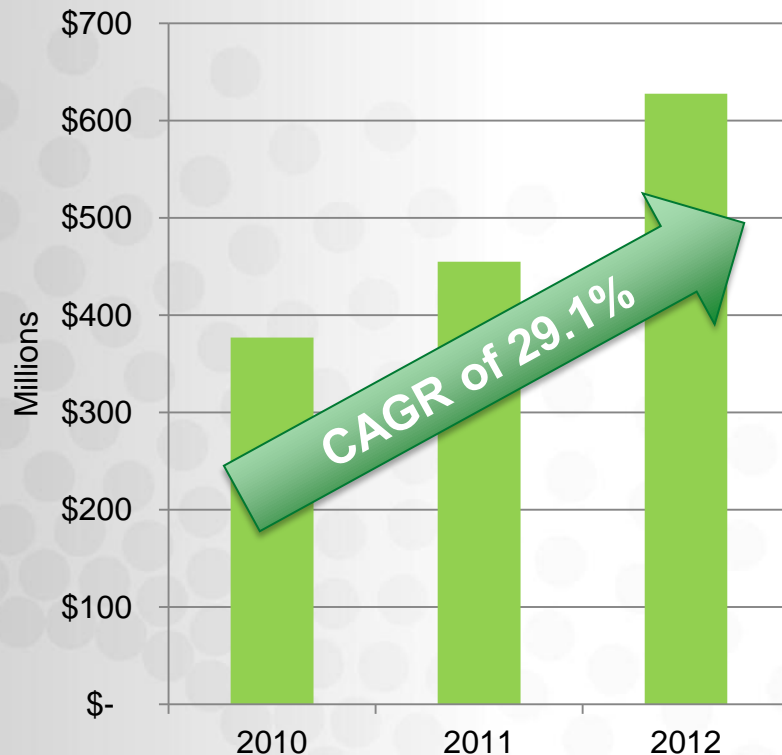
Flagship product
Driving iRobot revenue growth

9 Million Home Robots sold since 2002
Currently sold in more than 45 countries

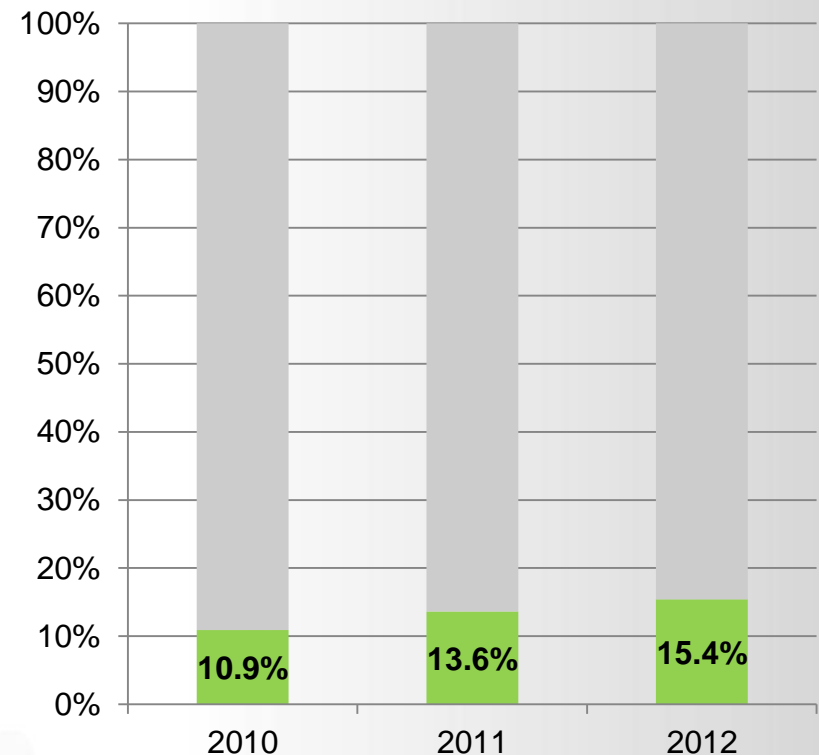
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Robotic Vacuum Market

Robotic Vacuum Revenues*



Robotic Vacuums as % of Vacuum Market**



Strong growth continues in robotic vacuum cleaning market

Source: *GfK – April 2013

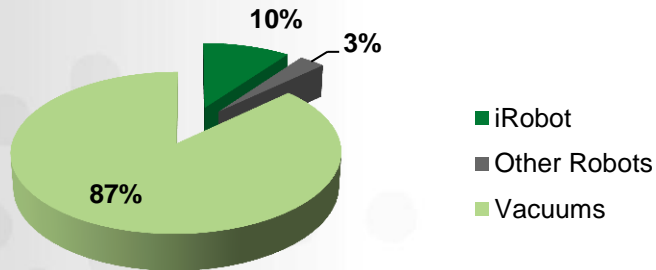
**Vacuum cleaners >\$200/robotic vacuum revenues

***Units purchased/number of households in markets tracked

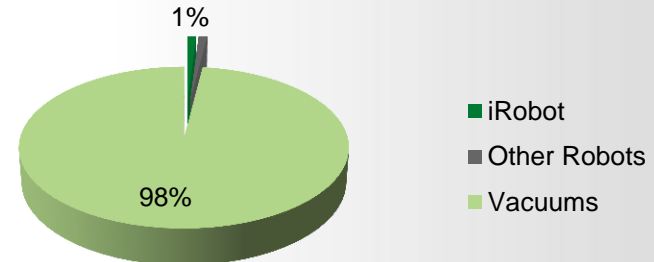
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Huge Addressable Markets*

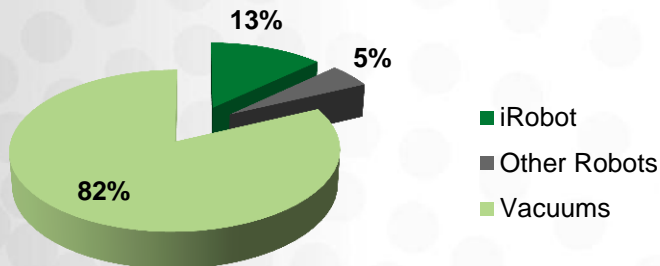
North America - \$2.1 billion



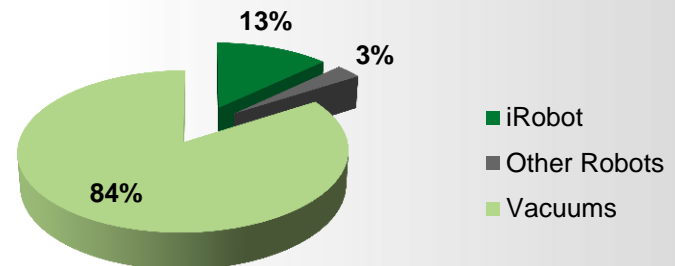
Latin America - \$200 million



EMEA - \$2.4 billion



APAC - \$2.3 billion



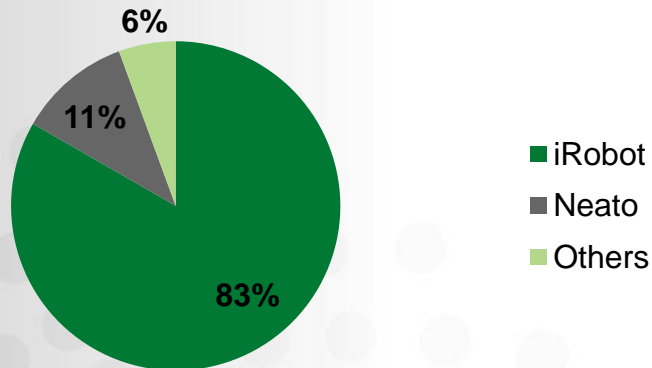
\$7 billion annual market opportunity

*Source: vacuum cleaners >\$200 USD, 2012 retail prices (based on NPD, GfK, Euromonitor)

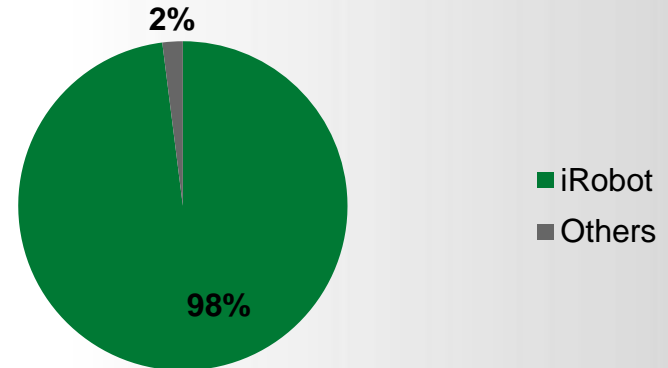
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Robotic Floor Care Global Market Share

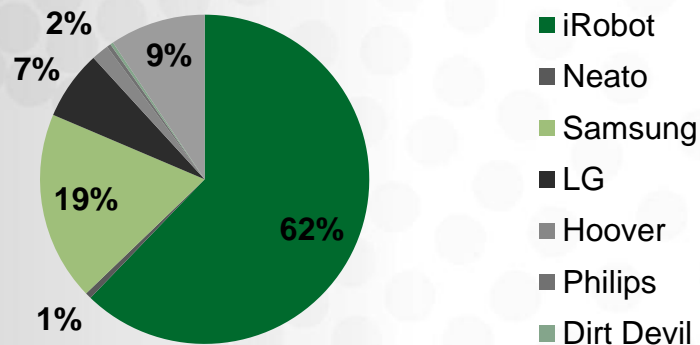
North America



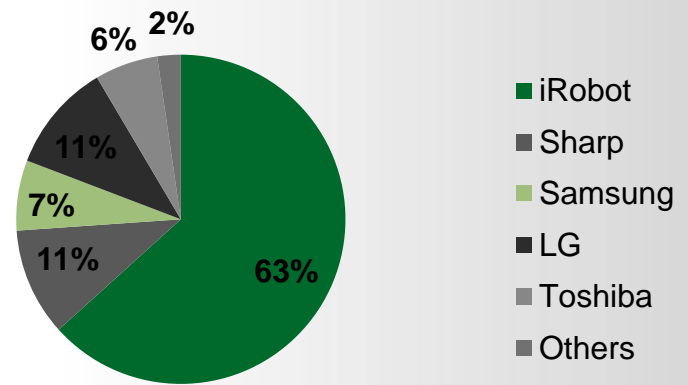
Latin America



Europe



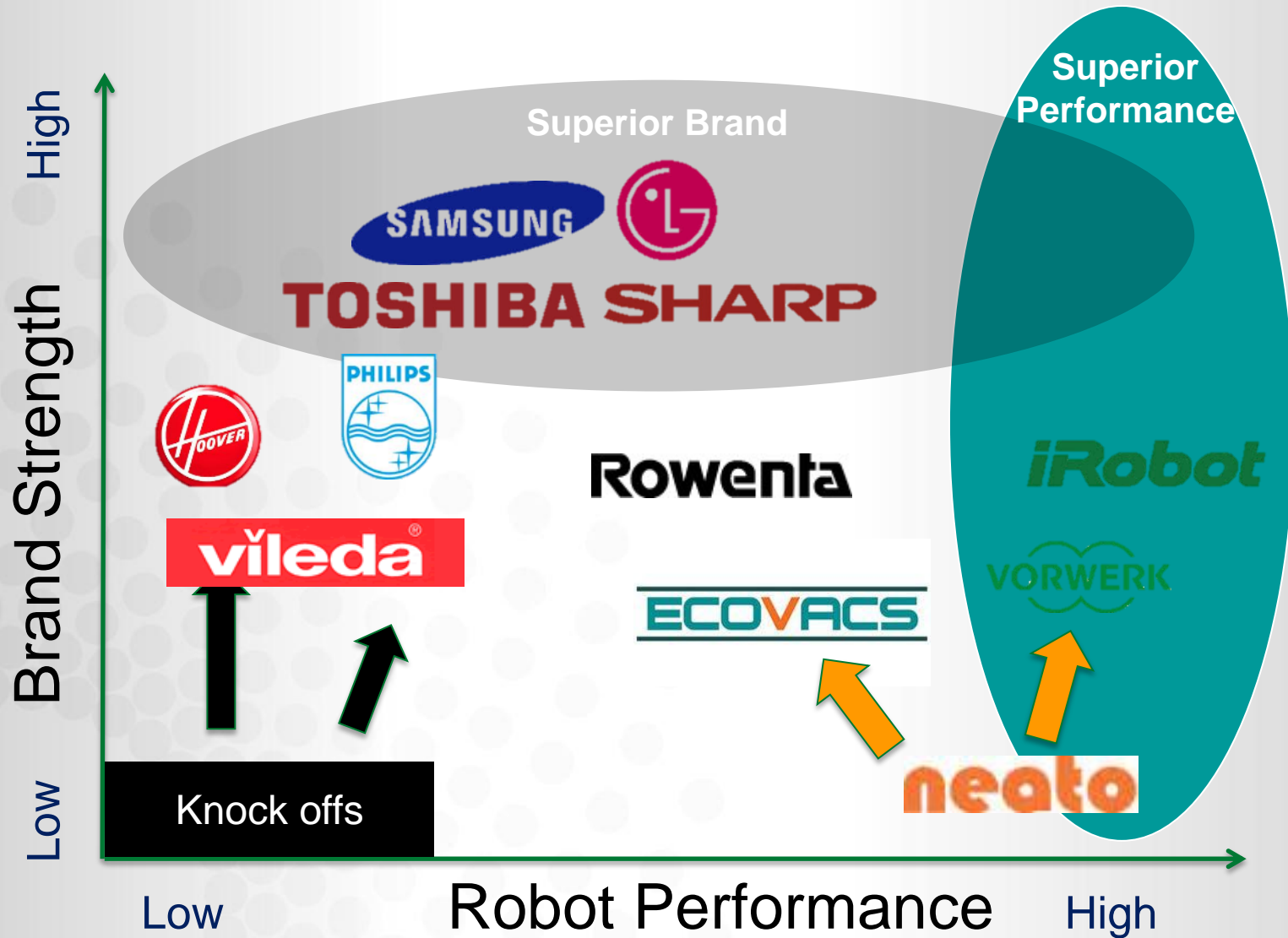
Asia



*Sources Gfk & NPD

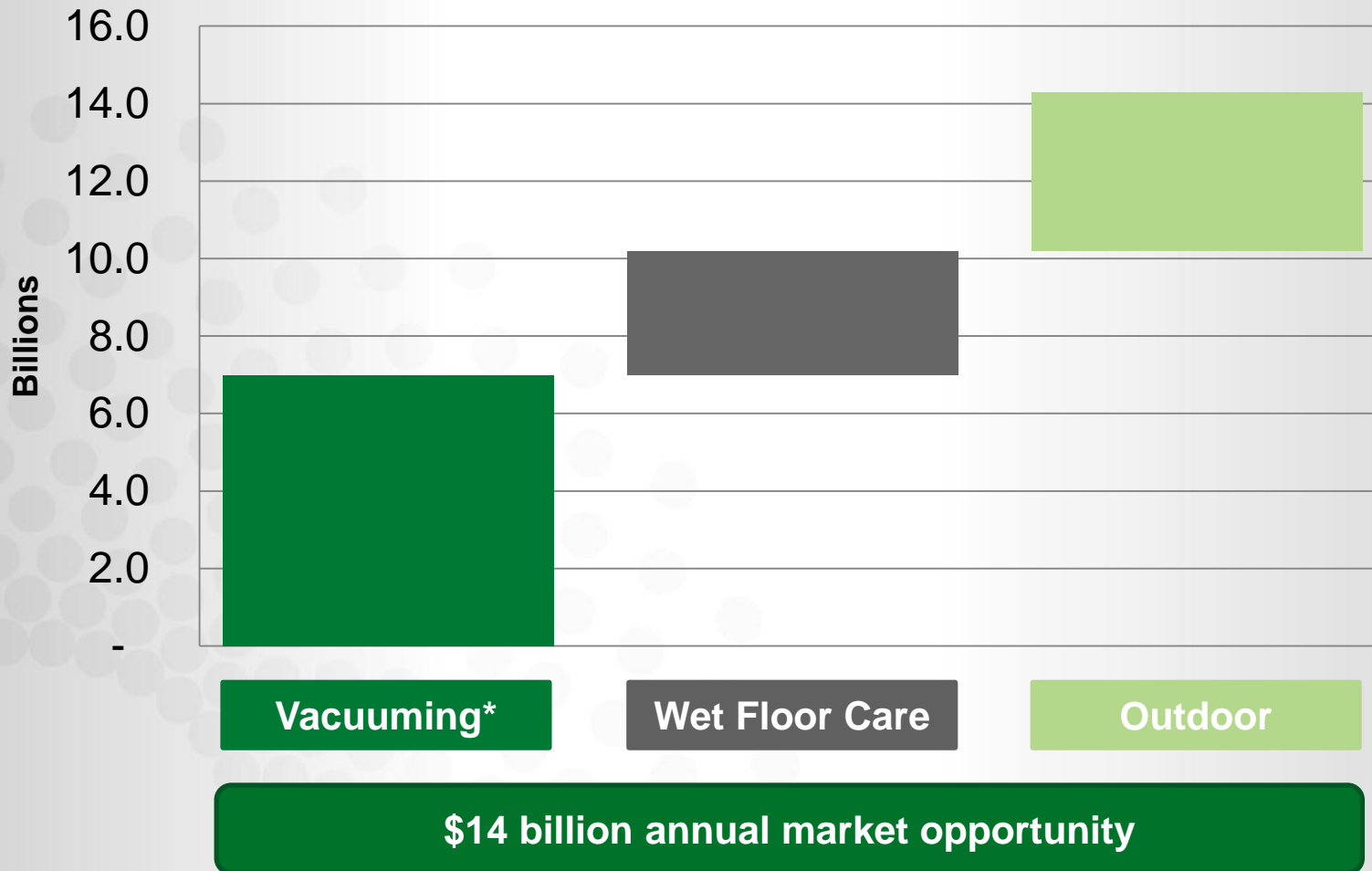
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Competitive Positioning - Today



Global Home Maintenance Market Opportunity

Total Available Market



*Source: vacuum cleaners >\$200 USD, retail prices (based on NPD, GfK, Euromonitor)

HBU Strategy

Brand Preference

- The Robot Company
- Premium position
- 360 to consumer

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Product Leadership

- Core performance
- Automation of task
- User experience
- Quality

Portfolio Expansion

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?

Supported by a winning team and effective go-to-market strategy

2013 Defense & Security Products



iRobot 110 FirstLook



iRobot 310 SUGV



iRobot 510 PackBot

Revenue Drivers

- International
- Domestic non-DoD: Nuclear/State & Local
- DoD
 - PLR: Upgrades/Sustainment
 - Commercial Off The Shelf units: FirstLook/PackBot/SUGV

Other Initiatives

- Focused on influencing future DoD requirements
- Cost Control – right sized business

iRobot Ava™ Platform



- Breakthrough mobile robotics platform
- Able to move autonomously with complete safety throughout indoor facilities
- Simple user interface – just point and click

Partnering to Address Broad Market Opportunity

Health Care
Telepresence
InTouch Health



Current



Enterprise
Telepresence
Cisco



Potential

Physical Security



Retail



Elderly Care



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Our Commitment: Grow Shareholder Value

Financial Targets

- **Revenue** - Mid to high teen CAGR
- **Adjusted EBITDA Margin** - High teens
- **OCF** - High single digit cash flow margin

Build investor confidence

Path to Achieving Financial Targets

■ Revenue Growth

- Home primary driver via both product and market expansion
- Remote Presence will start to contribute over the next few years

■ Gross Margin

- Improvements in product quality – reduces returns and lowers warranty cost
- Leverage supply chain centralization to control/reduce cost

■ Opex

- Leverage from shared service model and ER integration
- Having investment discipline

Full-year expectations

	<u>FY 2013*</u>	<u>FY 2012</u>
Revenue (\$M)	485 – 495	436
Home Robots	435 - 440	357
Defense & Security	45 - 55	71
EPS (\$)	0.88 – 1.00	0.61
EBITDA (\$M)	55 - 61	52

Home Robot driving growth; D&S stabilized

* Guidance provided July 23, 2013

Investment Thesis

- Home Robots will drive iRobot growth and profitability for the next couple of years
- Addressable markets are huge and growing
- Continued investment in high growth and emerging high potential remote presence business
- iRobot's foundational technologies enable significant & sustainable competitive advantage
- Strong balance sheet – no debt
- Commitment to generating profitable growth